

AGN. NO. ____

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

August 5, 2003

The Governor and Legislature have finally adopted a state budget, once again missing the statutory deadline of June 30 once again – a deadline they have failed to meet for 17 of the past 26 years.

This budget year, however, is easily among the worst in the state's 153-year history. According to the Governor's May Budget Revision, the projected shortfall now stands at \$38.2 billion, or nearly 40%, of the proposed overall \$100 billion state budget. More than 300,000 state employees and their families could have faced a catastrophic loss of income had the budget not been adopted; state contractors, social service agencies and their clients, and countless others dependent on state government were in similarly desperate straits.

With each passing day, the budget gap grew wider – increasing the pressure to inflict massive cuts in education, health care, transportation and other vital state services; impose billions of dollars in new taxes and fees; or borrow billions of dollars and incur hundreds of millions in higher interest costs. In the end, the Legislature simply pushed the deficit into next year, deferred the hardest decisions, and called it a day.

The reason is simple: California is one of only three states - along with Arkansas

MOTION

MOLINA

YAROSLAVSKY

KNABE

ANTONOVICH

BURKE

and Rhode Island – that requires a 2/3 super-majority to enact a state budget. An August 2002 report by the California State Library's California Research Bureau revealed that while nine states have some type of super-majority requirement, none apply the 2/3 legislative vote requirement as broadly as California. This mechanism – adopted in the name of fiscal accountability – actually encourages a lack of responsibility by holding the entire budget process hostage to the tyranny of the minority and the clout of opportunistic special interests.

For local governments like that of the County of Los Angeles, the problem is even more acute: \$3.2 billion, nearly 20% of our \$16.5 billion overall budget, represents state assistance. We cannot complete our budget work until the Governor and state lawmakers complete theirs. No longer masters of our own fiscal destiny, the people of Los Angeles County are prisoners of Sacramento politics.

Through the years, numerous groups – among them, the California Citizens Budget Commission, the California Budget Project, the California Constitution Revision Commission, the California Business Roundtable and the League of Women Voters of California - have called for reforming the state budget process to permit passage of a state budget by a simple majority.

Today, we have a historic opportunity to cure an intolerable situation. The proposed Budget Accountability Act is an initiative constitutional amendment and statute currently circulating that would enact a series of reforms in state budgeting to help ensure the timely adoption of responsible state budgets. The measure's key elements are:

- Reduce the votes required in the Legislature to pass the budget from 2/3rds to 55%.
- Set aside a “rainy day” fund of at least 5% in good times so that budget cuts and

tax increases will be less likely in challenging economic times.

- Require the Legislature to remain in session and only work on budget related legislation until the budget is signed.
- Withhold the salaries of the Governor and Legislature everyday after the budget deadline until a budget is passed.
- Discourage political parties from punishing legislators for voting their conscience.
- Add a budget summary to the Official Voter Pamphlet to explain how our money is being spent.

On February 11, 2003, our Board approved a motion by Supervisor Gloria Molina in support of that portion of ACA 1 (Longville), a proposed constitutional amendment, that would allow the state budget and related legislation to be passed by simple majority vote. That position is officially part of the 2003-4 County legislative agenda. Now, as then, there is no higher public policy priority in California than solving the state budget crisis – not just for this year, but also for every year from now on.

I, THEREFORE, MOVE THAT the Board of Supervisors of the County of Los Angeles endorse the Budget Accountability Act and support its favorable consideration and approval by California voters.

#

i:motions/add/budget initiative jb

